August 1, 2008

Vendor Notice concerning Savannah River Site Exemption from Payment of South Carolina Sales and Use Tax

Dear Vendor:

Savannah River Nuclear Solutions, LLC (SRNS) is the contractor responsible for Managing and Operating the Savannah River Site for the United States Department of Energy. All purchases for goods and services made by SRNS in its role as prime contractor for the Savannah River Site become the property of or are for the benefit of the U. S. Government. All goods purchased are consumed or incorporated into projects at the Savannah River Site in Aiken, South Carolina. None of the purchases are made for the purpose of resale. Accordingly, the South Carolina Sales and Use Tax Act, Chapter 12-36-2120 Paragraph 29, provides for the exemption of SRNS as follows: "Exempted from the taxes imposed by this chapter are the gross proceeds of sale or sales price of: (Paragraph 29) tangible personal property purchased by persons under a written contract with the federal government when the contract necessitating the purchase provides that title and possession of the property is to transfer from the contractor to the federal government at the time of purchase or after the time of purchase."

Please call me at (803) 952-8844 or E-mail me at srns-acctspay@srs.gov if you have any questions.

Sincerely,

R.K. Bromley, Manager

MRBrimler

Accounts Payable & Cash Management Services

Savannah River Nuclear \$olutions